

expected to be engaged in a bidding process to buy services from a city or any other provider.

- The limited grandfathering applies only to communications services provided as of January 1, 2011, and therefore would not encompass any new service offerings and possibly might not even cover the provision of grandfathered services to new customers.
- Subsection (3) is patently discriminatory against municipalities in that it locks them into a particular limited service area even though municipal boundaries and communities can change and grow, while private providers retain the right to expand or adjust their service boundaries as they deem necessary in response to changes in local market conditions in communities.
- There is also an argument that this provision, to the extent it applies to the provision of cable service by municipalities, would be preempted by Title 47, Chapter 5, Subchapter V-A of the U.S. Code (a portion of the Telecommunications Act of 1996), because it imposes a de facto service area on municipalities and restricts their ability to enter into and obtain franchises for new competitive areas (and in particular, because in North Carolina the State is the franchising authority) (See sections 541, 544, 556, and 557).

(d) The exemptions provided in this section do not exempt a city or joint agency from laws and rules of general applicability to governmental services, including nondiscriminatory obligations.

(e) In the event a city subject to the exemption set forth in subsection (c) of this section provides communications service to a customer outside the limits set forth in that subsection, the city shall have 30 days from the date of notice or discovery to cease providing service to the customer without loss of the exemption.

- Subsection (e) implies that a City will lose its subsection (c) exemption if it provides service outside of its service area and does not cease providing service after notice or discovery. Loss of the exemption would cause the City's service area to shrink even further, pursuant to 160A-340.1(a)(3), and the City would have to shed all of its customers in the County. How other provisions—such as those requiring public hearings, etc.—would apply to the City if it lost its subsection (c) exemption remains uncertain. Suffice it to say, loss of its exemption would force the City of Wilson to abandon its Greenlight service and cause it to strand substantial investment.

"§160A-340.3. Notice: public hearing.

A city or joint agency that proposes to provide communications service shall hold not fewer than two public hearings, which shall be held not less than 30 days apart, for the purpose of gathering information and comment. Notice of the hearings shall be published at least once a week for four consecutive weeks in the predominant newspaper of general circulation in the area in which the city is located. The notice shall also be provided to the North Carolina Utilities Commission, which shall post the notice on its Web site, and to all companies that have requested service of the notices from the city clerk. The city shall deposit the notice in the U.S. mail to companies that have requested notice at least 45 days prior to the hearing subject to the notice. Private communications service providers shall be permitted to participate fully in the public hearings by presenting testimony and documentation relevant to their service

offerings and the city's plans. Any feasibility study, business plan, or public survey conducted or prepared by the city in connection with the proposed communications service project is a public record as defined by G.S. 132-1 and shall be made available to the public prior to the public hearings required by this section. This section does not apply to the repair, rebuilding, replacement, or improvement of an existing communications network, or equipment relating thereto.

- This provision embeds long delays into the planning of a community broadband network (whether served or unserved by a private provider) by requiring a 75 day public hearing process and extraordinary notice publication requirements. The provision fails to exempt public safety networks. It will interfere with the ability of cities to perform basic governmental services. This section also purports to exempt from the public hearing requirement repair or improvement of an existing communications network but then obliterates that exception by requiring a public hearing if any "expansion" is involved in the existing network. (See new 159-175.10). Since expansion is an ambiguous term which would likely include extending lines and upgrading an existing network to expand its technical capabilities, a city could easily be subject to a lawsuit if it fails to comply with the onerous public hearing requirements for modest improvements in the existing network. Again, this makes quick improvements to public safety networks difficult and threatens the safety of the public.
- The public hearing requirement would add to a public entity's costs and burdens. Also potentially problematic is the failure to define what a "business plan" means, and which could be broadly read to include confidential and proprietary information. In the absence of a definition, NC's existing public disclosure laws in G.S. 132-1 would appear to apply.
- Disclosure of business records allows review by competitors who effectively undercut the city's prices by charging higher rates in cities that don't have municipal fiber systems, and to undertake other measures targeted directly at the City's plans—such as plans for expansion areas, targeted marketing, etc.
- These cumbersome hearing requirements apply even to communications services to be provided only within the city's boundaries and only for "internal governmental purposes."

"§160A-340.4. Financing.

(a) A city or joint agency subject to the provisions of G.S. 160A-340.1 shall not enter into a contract under G.S. 160A-19 or G.S. 160A-20 to purchase or to finance the purchase of property for use in a communications network or to finance the construction of fixtures or improvements for use in a communications network unless it complies with subsection (b) of this section. The provisions of this section shall not apply to the repair, rebuilding, replacement, or improvement of an existing communications network, or equipment relating thereto.

- This is a serious restriction, as it would eliminate Certificate of Participation financing methods that are commonly used in North Carolina and elsewhere.
- This provision would subject a prudent city that wants to avoid litigation to a special election requirement to finance any communications system or facilities, even for simple

repairs, embedding long delays and significant expense into the process of repairing or improving a system and rendering them near impossible. While there is an exception to the special election requirement for repairing, rebuilding or improving an "existing" communications network, these are ambiguous terms, and this provision is likely to be construed as not exempting any system "expansion" (network extensions or improving technical capabilities), which would then trigger special election requirements.

- The restrictions also forbid the financing or leasing of real property (which could be rights-of-ways for a communication network or tower sites) per NCGS 160A-19 and 160A-20. A city's ability to build new public safety telecommunications towers, or relocate them, would be affected. Finally, the legislation applies these restrictions to interlocal agreements. Although exempting facilities that are "within the city's jurisdictional boundaries for the city's internal governmental purposes," it is not always clear-cut what an "internal governmental purpose" is, and whether a city that partners with a county or other local government would be subject to these restrictions. It is also commonplace for a City to have critical public safety telecommunications towers outside of the City's jurisdictional boundaries.

(b) A city shall not incur debt for the purpose of constructing a communications system without first holding a special election under G.S. 163-287 on the question of whether the city may provide communications service. If a majority of the votes cast in the special election are for the city providing communications service, the city may incur the debt for the service. If a majority of the votes cast in the special election are against the city providing communications service, the city shall not incur the debt. However, nothing in this section shall prohibit a city from revising its plan to offer communications service and calling another special election on the question prior to providing or offering to provide the service. A special election required under Chapter 159 of the General Statutes as a condition to the issuance of bonds shall satisfy the requirements of this section.

- This provision would basically shut down any existing municipal communications system (including convention center communications services or public safety networks) or prohibit the development of a new municipal communications system, as it imposes enormous unfunded costs by requiring a special election prior to the funding of any communications service offered by a municipality and a minimum 45 day delay (inherent in G.S. 163-287) even to fund any expansion or, per §160-340.4(a) described above, system repair or improvement. In essence, it makes carrying out any system repair or improvement impossible. The added burden of subjecting a public-private partnership deployment to a special election will also seriously discourage any interest on the part of either party to engage in such a public-private deployment.
- This provision also allows incumbent providers to mount misinformation campaigns and advertising blitzes designed to cause the election to fail. Municipalities cannot advocate a position in special elections, whereas private companies can hire (and have hired) front groups and pour millions into defeating a referendum.

"§160A-340.5. Taxes: payments in lieu of taxes.

(a) A communications network owned or operated by a city or joint agency shall be exempt from property taxes. However, each city possessing an ownership share of a communications network and a joint agency owning a communications network shall, in lieu of property taxes, pay to any county authorized to levy property taxes the amount which would be assessed as taxes on real and personal property if the communications network were otherwise subject to valuation and assessment. Any payments in lieu of taxes shall be due and shall bear interest, if unpaid, as in the case of taxes on other property.

- This provision retains the unconstitutional provision requiring the city to pay the equivalent of a property tax on its communication system even though the state constitution exempts all municipal property from property tax without qualification (Article 5, Section 2 (3)).

(b) A city-owned communications service provider shall pay to the State, on an annual basis, an amount in lieu of taxes that would otherwise be due the State if the communications service was provided by a private communications service provider, including State income, franchise, vehicle, motor fuel, and other similar taxes. The amount of the payment in lieu of taxes shall be set annually by the Department of Revenue and shall approximate the taxes that would be due if the communications service was undertaken by a private communications service provider. A city-owned communications service provider must provide information requested by the Secretary of Revenue necessary for calculation of the assessment. The Department must inform each city-owned communications service provider of the amount of the assessment by January 1 of each year. The assessment is due by March 15 of each year. If the assessment is unpaid, the State may withhold the amount due, including interest on late payments, from distributions otherwise due the city under G.S. 105-164.44I.

(c) A city-owned communications service provider or a joint agency that provides communications service shall not be eligible for a refund under G.S. 105-164.14(c) for sales and use taxes paid on purchases of tangible personal property and services related to the provision of communications service, except to the extent a private communications service provider would be exempt from taxation.

- This provision triggers the same difficulties with calculation of taxes as mentioned earlier, except that it requires payment of said taxes to the State.

"§160A-340.6. Public-private partnerships for communications service.

(a) Prior to undertaking to construct a communications network for the provision of communications service, a city shall first solicit proposals from private business in accordance with the procedures of this section.

(b) The city shall issue requests for proposals that specify the nature and scope of the requested communications service, the area in which it is to be provided, any specifications and performance standards, and information as to the city's proposed participation in providing equipment, infrastructure, or other aspects of the service. The city may prescribe the form and content of proposals and may require that proposals contain sufficiently detailed information to allow for an objective evaluation of proposals using the factors stated in subsection (d) of this section. Each proposal shall at minimum contain all of the following:

- (1) Information regarding the proposer's experience and qualifications to perform the requirements of the proposal.
- (2) Information demonstrating the proposer's ability to secure financing needed to perform the requirements of the proposal.
- (3) Information demonstrating the proposer's ability to provide staffing, implement work tasks, and carry out all other responsibilities necessary to perform the requirements of the proposal.
- (4) Information clearly identifying and specifying all elements of cost of the proposal for the term of the proposed contract, including the cost of the purchase or lease of equipment and supplies, design, installation, operation, management, and maintenance of any system, and any proposed services.
- (5) Any other information the city determines has a material bearing on its ability to evaluate the proposal.

- This section was meant to be an alternative to the bill's provisions controlling the deployment of new municipal communications services. Now, by being inserted into the original provisions of the bill, it imposes yet another layer of procedural burdens that obliterate most of the exceptions to the bill's restrictions. For example, if a municipality were seeking to expand a current network, it would first be required to go through extensive negotiations with a private provider, and if these negotiations failed, it would then be subject to the eight-pages of regulations embedded in the bill. It would also appear that if a municipality is successful in forming a public-private partnership, it would still be required to comply with the special election requirement (§160-340.4(b)) if it needed to raise money to contribute to its portion of the cost.
- This section further delays development by requiring municipalities to seek private sector partners for ownership and operation of the system. Such a partner is unlikely to develop due to financing restrictions (e.g. special elections for system repair or expansion) and exposure to lawsuits.

(c) The city shall provide notice that it is requesting proposals in accordance with this subsection. The notice shall state the time and place where plans and specifications for the proposed service may be obtained and the time and place for opening proposals. Any notice given under this subsection shall reserve to the city the right to reject any or all proposals.

Notice of request for proposals shall be given by all of the following methods:

- (1) By mailing a notice of request for proposals to each firm that has obtained a

license or permit to use the public rights-of-way in the city to provide a communications service within the city by depositing such notices in the U.S. mail at least 30 days prior to the date specified for the opening of proposals. In identifying firms, the city may rely upon lists provided by the Office of the Secretary of State and the North Carolina Utilities Commission.

- (2) By posting a notice of request for proposals on the city's Web site at least 30 days before the time specified for the opening of proposals.
- (3) By publishing a notice of request for proposals in a newspaper of general circulation in the county in which the city is predominantly located at least 30 days before the time specified for the opening of proposals.

(d) In evaluating proposals, the city may consider any relevant factors, including system design, system reliability, operational experience, operational costs, compatibility with existing systems and equipment, and emerging technology. The city may negotiate aspects of any proposal with any responsible proposer with regard to these factors to determine which proposal is the most responsive. A determination of most responsive proposer by the city shall be final.

(e) The city may negotiate a contract with the most responsive proposer for the performance of communications service specified in the request for proposals. All contracts entered into pursuant to this section shall be approved and awarded by the governing body of the city.

(f) If the city is unable to successfully negotiate the terms of a contract with the most responsive proposer within 60 days of the opening of the proposals, the city may proceed to negotiate with the firm determined to be the next most responsive proposer if such a proposer exists. If the city is unable to successfully negotiate the terms of a contract with the next most responsive proposer within 60 days, it may proceed under this Article to provide communications service.

(g) All proposals shall be sealed and shall be opened in public. Provided, that trade secrets shall remain confidential as provided under G.S. 132-1.2."

- This section adds additional delays in the process, gives private providers a window into the City's negotiations, and allows the private provider the opportunity to spread additional misinformation about the City, particularly with regard to negotiation efforts and the City's willingness to enter into a cooperative arrangement.

SECTION 2.(a) G.S. 62-3(23) is amended by adding the following new sub-subdivision to read:

"1. The term "public utility" shall include a city or a joint agency under Part 1 of Article 20 of Chapter 160A of the General Statutes that provides service as defined in G.S. 62-3(23)a.6. and is subject to the provisions of G.S. 160A-340.1."

- This provision newly subjects any municipality which offers communications service (voice, video and data) for a fee, (including convention centers and public safety

networks) to NCUC oversight and regulation, creating extensive opportunities for all their operations to be challenged by any competitor or member of the public and exposing these cities to expensive defense costs.

- In violation of Federal prohibition of state utility regulation of cable systems (47 USC § 541(c)).
- NCUC oversight is properly reserved for the large private corporations who are not locally accountable. It ought not apply to a local government that is already accountable and responsive to local needs and criticisms.
- It imposes a regulatory burden on cities, which does not apply to other cable providers
- It places cities at a competitive disadvantage by providing their business plans, rate structure and other information to private providers to use to undermine the city system—for the private providers, this type of information is protected by law as trade secrets.

SECTION 3. Subchapter IV of Chapter 159 of the General Statutes is amended by adding a new Article to read as follows:

"Article 9A.

"Borrowing by Cities for Competitive Purposes.

"§ 159-175.10. Additional requirements for review of city financing application: communications service.

The Commission shall apply additional requirements to an application for financing by a city or a joint agency under Part 1 of Article 20 of Chapter 160A of the General Statutes for the construction, operation, expansion, or repair of a communications system or other infrastructure for the purpose of offering communications service, as that term is defined in G.S. 160A-340(2), that is or will be competitive with communications service offered by a private communications service provider. This section does not apply to the repair, rebuilding, replacement, or improvement of an existing communications network, or equipment relating thereto, but does apply to the expansion of such existing network. The additional requirements are the following:

- (1) Prior to submitting an application to the Commission, a city or joint agency shall comply with the provisions of G.S. 160A-340.3 requiring at least two public hearings on the proposed communications service project and notice of the hearings to private communications service providers who have requested notice.
- (2) At the same time the application is submitted to the Commission, the city or joint agency shall serve a copy of the application on each person that provides competitive communications service within the city's jurisdictional boundaries or in areas adjacent to the city. No hearing on the application shall be heard by the Commission until at least 60 days after the application is submitted to the Commission.

- The LGC is barred from even holding a hearing on an application until at least 135 days have passed since the city provided its first notice to private providers of its plans:

- A city is barred from submitting an application to the LGC until it completes the new requirement for two local public hearings (this process will take at least 75 days—see above.
 - Once the application is submitted to the LGC, it is required to wait an additional 60 days, making for a delay in the governmental decision-making process of at least 135 days.
- A city is required to provide a copy of its LGC application for approval of financing to all providers of communications service that provide service in the city or in “adjacent” areas. Since the bill defines “communications service” as broadly as possible and imposes no limits on the definition of communications service provider, this provision means that cities apparently are required to notify all wireless carriers, cable TV operators, television broadcasters, long-distance carriers, ISPs, satellite carriers, and telephone companies that provide service anywhere within the general vicinity of a city and assume the cost of serving each such entity and the risk associated with failing to identify a provider entitled to notice under the new provision. No similar notice obligations apply to applications for approval of financing for any of the many other municipal activities for which LGC review and approval are required.

- (3) Upon the request of a communications service provider, the Commission shall accept written and oral comments from competitive private communications service providers in connection with any hearing or other review of the application.
- (4) In considering the probable net revenues of the proposed communications service project, the Commission shall consider and make written findings on the reasonableness of the city or joint agency's revenue projections in light of the current and projected competitive environment for the services to be provided, taking into consideration the potential impact of technological innovation and change on the proposed service offerings and the level of demonstrated community support for the project.
- (5) The city or joint agency making the application to the Commission shall bear the burden of persuasion with respect to subdivisions (1) through (4) of this section."

- The Local Government Commission (LGC) is required to give greater weight to the interest of private providers than it is the broad interest of the public in considering financing applications. Further, the bill transforms the LGC's existing non-adversarial review process into a legalistic and adversarial process, with the potential for tying up financing questions in endless litigation.
- The bill imposes new obligations on the LGC and fundamentally alters its role. The LGC, as presently constituted, is a part-time nine-member organization consisting of four ex officio members (the state auditor, the state treasurer, the secretary of state, and the secretary of revenue—G.S. § 159-3) that relies heavily on the staff of the

Department of the State Treasurer to fulfill its responsibilities, with no expertise in the communications industry. Further, the LGC already follows clear-cut statutory criteria in determining the soundness of a proposed municipal project and its proposed financing (G.C. § 159-151).

- This undoubtedly opens the door to multi-year litigation by the incumbent providers challenging any determination by the LGC that the provision of service by a city is reasonable taking into consideration the foregoing factors. Community support is an especially arbitrary and subjective consideration that it would certainly be characterized as weighing against a finding of reasonableness.

WILSON EXHIBIT 1

Alert Cable Television – Rebuild Proposal

ALERT CABLE TV OF WILSON, INC.

**PRESENTATION SUMMARY
FOR THE CITY OF WILSON
OCTOBER 4, 1990**

WILSON REBUILD - PROJECT DESCRIPTION

Alert Cable TV of Wilson and its parent company, Cablevision Industries, are prepared to meet their franchise commitment to rebuild the Wilson cable system to 60-channel capacity.

Although the Company's initial plan was to utilize conventional methods for the system rebuild, those plans were scrapped earlier this year in favor of the newest technology -- fiber optics.

Optical fiber cable has less signal loss than conventional coaxial cable, by a factor of 50 to 100. This means that fewer pieces of electronic equipment are needed between the signal origination point (the system's headend) and the customer's TV set.

The resulting benefits are:

Significantly better system reliability
(fewer service interruptions) and

Higher quality signal reception.

Optical fiber cable also has a bandwidth, or information conveying capacity, that is 50 times greater than the best premium coaxial cable available today. Use of fiber optics will position the Wilson system with a greater capacity for future services.

The Wilson system will use fiber optics to transmit optical signals from the system headend to six remote optical receivers, then distribute electronic signals to customers via coaxial cable and conventional electronics.

The full, turnkey fiber optic system will be provided by Sumitomo Electric Fiber Optics Corp. of Research Triangle Park. Sumitomo has extensive experience in fiber optics and Cable TV. Optical fibers and cables used in the Wilson project will be manufactured at Sumitomo's North Carolina facility in Research Triangle Park.

MINIMIZING SERVICE DISRUPTIONS DURING CONSTRUCTION

The construction stages beginning later this month will, in some cases, involve bringing all or part of the cable system "down" -- turning it off. Customers can expect some disruption of service when we begin the process, and throughout, in different phases. Virtually all customers will be affected during the early stage, with trunk construction on the "E" node. After that, the number of customers affected will taper off, affecting smaller numbers (by neighborhood or by streets) as we work through distribution construction and transfer of subscriber connections ("drops").

The Company will take specific steps to conduct its work with as little disruption as possible, including the following measures:

1. When it is necessary to turn the entire system off, construction work will be scheduled between the hours of midnight and 6:00 a.m. Every effort will be made to restore service throughout affected areas by 7:00 a.m.
2. Late-night work will be limited to Sunday through Thursday nights, to avoid interrupting weekend viewing.
3. During daytime construction there may be service interruptions of up to three hours for some customers; however, construction work will be completed each day by 4:00 p.m., so service can be restored by 6:00 p.m.
4. No construction work will be conducted between the hours of 6:00 p.m. and midnight.
5. Door hangers will be distributed in affected areas prior to beginning work that might lead to service interruptions.
6. Where crews will be conducting underground construction, residents will be advised by letter.

7. Construction supervisors will communicate regularly with the City Police Department, advising them of the work schedule and specific streets where night work will be conducted. The Police Department will be given telephone numbers of key supervisory personnel.
8. Supervisors will be on-site during periods of construction.

COMMUNICATING WITH OUR CUSTOMERS

We have developed a customer relations campaign to be used throughout the rebuild project, designed to inform our customers of the project's status.

The campaign theme, "Picture the Best for Wilson," will be used to explain the benefits of the project and up-date customers on our progress.

Elements of the campaign are:

1. Regular inserts in the Wilson Daily Times, including a map showing progress and areas under construction.
2. Print ads in the Wilson Daily Times, introducing the project and the campaign.
3. Advertisements on various cable system channels.
4. Announcements on the cable system's bulletin board channel.
5. Door hangers to be distributed prior to commencement of construction in affected areas.
6. Printed material available at the Customer Service counter in our business office.

IMPROVING CUSTOMER SERVICE

We have evaluated our customer service and taken the following steps toward improvement:

1. Consolidated phone lines to provide six lines for billing, service and sales.
2. Moved the converter exchange area to the first floor, for greater customer ease.
3. Begun renovations of the Customer Service Department to provide a more pleasant environment for our customers.
4. Plans are in place to redesign our Customer Service Counter to accommodate an additional Service Representative, to better serve our customers who choose to do business in person.
5. Increased our Customer Service staff, to a total of six Customer Service Representatives.
6. Currently searching for an answering service to replace our after-hours answering machine, to provide more efficient handling of night-time service calls.

We will continue our efforts to improve service and provide the Quality Customer Care our subscribers deserve.

Alert Cable TV of Wilson and Cablevision Industries are committed to bringing the finest cable television system and service to the residents of Wilson.

WILSON EXHIBIT 2

**Letter to the Editor,
City's Infrastructure Important to the Bank**

Friday, October 6, 2006

The Wilson
Daily Times

Opinion Editor: Hal Tarleton

252-265-7812

tarleton@wilsondaily.com

OPINION

City's infrastructure is important to bank

BB&T was founded by Alpheus Branch in 1872, right here in Wilson, North Carolina. Both the bank and the community have seen a lot of change over the years, but one thing has held constant: What is good for Wilson is good for BB&T.

Great things are happening in Wilson. Announcements of industries locating and expanding here, the economic study ranking the city of Wilson as the number one micropolitan area in our state, and rapid retail, commercial and residential growth are all indicators of the positive momentum our community is experiencing.

Our success would not be possible without infrastructure. There is no doubt that an abundant water supply, strong utility systems, and good roads and highways and rail service have helped create an environment in which businesses can succeed and prosper. As busi-

nesses grow, more jobs are created, and the people of Wilson enjoy a higher quality of life.

The city of Wilson is considering a bold investment in new infrastructure, by expanding the city's fiber optic network and making it available to businesses, industries and homes throughout our city. The banking industry, like many others, is becoming increasingly reliant on the ability to transfer information and communicate with incredible speed through secure, dependable infrastructure.

The project under consideration by City Council will take communications to a new level and should provide Wilson a strategic advantage that will go unnoticed by business world.

The infrastructure of tomorrow will look quite different from the infrastructure of the past, and our nation's economy rewards leaders in new technology. The city of Wilson has a proven track record of sound infrastructure investments, and BB&T supports the City

Council as they consider this new initiative.

Lee Wilson
Kingwood Road

THE WRITER is senior executive vice president and operations division manager at BB&T.

Letters solicited

The Daily Times welcomes opinions from readers on topics of public interest. Because of space considerations, letters should be no more than 400 words in length. Letters that promote a commercial product, those thanking individuals for personal assistance, those containing libelous material or personal attacks on individuals, those containing comments in bad taste and those addressed to a third party will not be published.

Letters must be signed and should contain the writer's address. A telephone number, which will not be published, should be included for verification purposes.

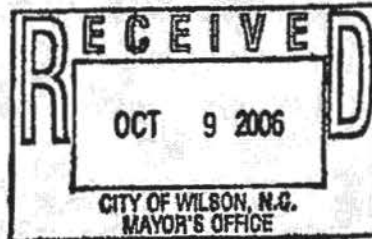
Letters may be mailed to P.O. Box 2447, Wilson, N.C. 27894, faxed to 252-243-7501 or e-mailed to letters@wilsondaily.com.

WILSON EXHIBIT 3

**Letter from President
Wilson Technical Community College**

Wilson Technical Community College

902 Harring Avenue (27893-3310) • P.O. Box 4305 • Wilson, NC 27893-0305 • (252) 291-1195 • FAX: (252) 243-7148



October 6, 2006

The Honorable C. Bruce Rose
Mayor, City of Wilson
P. O. Box 10
Wilson, NC 27894

Dear Mayor Rose:

Wilson Technical Community College (WTCC) is enthusiastic about the possibility of becoming a partner with the City and having access to the new fiber-optics initiative. This innovative and visionary infrastructure arrives at a fortuitous time to support many of the activities either underway or planned as WTCC expands its digital services to students and the community.

WTCC is a leader among community colleges in the state in the number of students and variety of courses that employ the new technology of distance learning. Online services soon to be added include registration, fee and tuition payment, career counseling, transcript origination, and online access to the College store.

In order to complete the suite of services available to the online student, Wilson Technical Community College will need greatly enhanced bandwidth. Within this context, the College plans a progressively expanded, signal-rich wireless footprint to cover the entire campus and significant portions of the area around the College. Our demographic studies show the great majority of our students, who reside in the county, live within a seven-mile radius of the campus. As we move to the time when a major point of entry for any campus activity or service will be the Web, it will be important that we expand both the Web as an infrastructure and the services it conveys. The wireless domain that can be supported by the proposed fiber optics system will dramatically enhance the availability of these services.

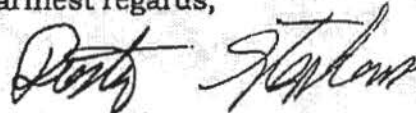
Lastly and most importantly, WTCC has clear evidence that the digital divide is very much a factor in Wilson. A significant number of the people in our community and a proportionate number of the students at the College simply do not have access to the digital communications infrastructure and are, therefore by definition, denied the content of the World Wide Web. We must find a way to enfranchise those in our community who find themselves without the enabling infrastructure that would permit them to bridge the digital divide and to access not only the web based learning and service programs of the College but also the larger aspects of a society that will increasingly have primary access to its essential functions residing on the Web.

The Honorable C. Bruce Rose
Page 2
October 6, 2006

We look forward to opportunities to join and support this initiative and deem its fruition as nothing less than requisite to the long-term development of our community.

I thank you, the City Council, and Mr. Goings and his team for the farsighted leadership that is bringing this critical infrastructure to the people of Wilson.

Warmest regards,

A handwritten signature in dark ink, appearing to read 'Rusty Stephens', is written over the typed name.

Rusty Stephens, Ed.D.
President
(252) 246-1223

RS/db

cc: Grant W. Goings, City Manager
Jerry Dorsey, Chair, WTCC Board of Trustees

WILSON EXHIBIT 4

City Keeps Strong Bond Rating



News

City keeps strong bond rating, saves money

Wednesday, June 11, 2014

One of the nation's top credit rating agencies announced this week that it will maintain the City of Wilson's strong bond rating.

The ruling by Moody's Investors Service means it believes the city to be in great financial shape and easily able to pay its debts. A good bond rating ultimately saves the city money because it allows it to borrow money at lower interest rates.

Moody's announced two decisions Tuesday.

- It had affirmed the Aa2 rating on the City of Wilson's (NC) \$11.1 million General Obligation (GO) bonds. The bonds are secured by the city's unlimited ad valorem tax pledge.
- It has affirmed the A1 rating on the city's \$56.2 million outstanding rated Certificate of Participation (COPs), Series 2007 and Series 2008.

Both ratings fall in Moody's "high quality" scale. That means the city has "very strong credit worthiness" when compared to other municipal or tax-exempt bond issuers.

"This is great news, but I expected no less from our staff," Mayor Bruce Rose said Wednesday. "We have an outstanding city manager, and the finance department has been extremely strong and detail-oriented the whole time I have been mayor."

City Manager Grant Goings paid tribute to Finance Director Kim Hands and her staff. "A lot of hard work went into this effort to uphold our rating," he said Wednesday.

Moody's recently completed an extensive review of the city's financial conditions. Its findings suggest the city's tax base has been growing by an average of 4.2 percent over the past five years, and that growth is likely to continue.

The evaluators were also impressed with how the city had moved from a primarily agriculture and tobacco-based economy to one that's more diverse. Targeted economic development programs have attracted industries such as pharmaceuticals and automotive parts. Moody's foresees continued growth as long as the city has available land and resources to sustain the growth.

Wilson was credited with continuously exercising conservative budgeting practice. The city's fiscal performance will likely remain solid given this history of prudent budgeting practice.

The City was also recognized for their broadband network, Greenlight, which supports nearly 7,000 external customers, representing a total market penetration of 33.7 percent. Greenlight has grown at an average annual rate of 3.8 percent since 2009. The reliability and efficiency of services provided has driven customer growth and has resulted in steady revenue increase since the system launched in 2009.

Moody's is one of the Big Three crediting rating agencies, along with Standard & Poor's and Fitch Group, that evaluate the creditworthiness of public and commercial borrowers. Each agency issues ratings on a 10-point scale, although the names of the grades vary.

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WILSON EXHIBIT 5

**Editorial, At the Speed of Light,
Wilson Daily Times**

At the speed of light

By Matthew Shaw

Daily Times Staff Writer

Could little glass strands change Wilson?

City officials believe fiberoptic lines could be nearly as important to Wilson's future as water, sewer and other infrastructure. That's why the City Council is considering spending nearly \$28 million on a Fiber to the Premises network.

Wilson would be the first city in North Carolina to run fiberoptic lines throughout its municipal limits. The city would pay for those lines by selling Internet, cable television and phone service to city residents and businesses.

The network could help the city attract new businesses and jobs, change how students are educated here, and open a world of information to Wilson's residents and businesses, City Manager Grant Goings said this week.

But those lines could lead somewhere else — into court or a battle at the N.C. General Assembly.

A spokesman for Embarq, which sells local telephone and Internet services, says what the city is considering is illegal. It could also be more expensive than what the city expects, he said.

"We would love the opportunity to talk with the City Council about what services are already available," Tom Matthews said Friday. "If you don't know the whole story, it's easy to get swept up in the momentum."

The City Council will hold a work session later this month to consider a business plan for the construction of the fiberoptic network. Council was briefed on the plan last month but hasn't discussed it yet.

UNLIMITED POTENTIAL

Uptown Services LLC, the city's consulting firm, talked primarily at the Sept. 21 meeting about the potential of selling cable, Internet and telephone services.

But those are only scratching the surface of how FTTP would change Wilson, Goings said this week. "We are just beginning to see the possibilities."

Goings met this week with the leaders of the county school system, Barton College, Wilson Technical Community College and Wilson Medical Center to brainstorm on how their organizations might benefit from broadband connections.

Imagine your doctor having a direct link to East Carolina University's medical school, allowing live consultation on your medical history and condition.

Wilson students could attend classes being taught anywhere in the world, ask questions and get answers, without stepping outside the city limits.

The world's libraries, film and video collections could all be searched, materials downloaded in seconds or minutes.

These are benefits that city residents would realize almost immediately, officials say. What lies beyond, no one can say.

Dathan Shows, the city's director of technical services, said, "Think about when the city electrified. This will almost be that radical a change."

He added, "If you had asked Joe Citizen in 1890, 'What are you going to do with electricity?', he would have had no idea. But the uses come along pretty fast and who can live without electricity these days?"

ECONOMIC DEVELOPMENT TOOL

Businesses and industries already understand the importance of fiber connections, Shows said.

They know that they could have dedicated strands that would provide direct links between offices, invulnerable to Internet hackers, he said.

A fiber network has redundancy designed into it, which means that should a line break, all traffic would be almost instantly rerouted. "Being connected 95 percent of the time does them no good; they want to be assured they'll be up 100 percent," he said.

Fiber optic systems have boosted economic development efforts elsewhere.

A 2005 study by researchers at Carnegie Mellon University and Massachusetts Institute of Technology found:

- * Communities that were mass-marketing broadband services in 1999 had added more jobs by 2002 than had other communities. Broadband seemed to add about 1 percent to these areas' annual job growth rate.
- * Broadband communities saw larger increases in their total number of businesses, particularly technology-intensive businesses, than had others.
- * Property values increased as much as 6 percent in a year after broadband services were introduced.